

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Optical Insights, LLC

New Mexico Manufacturing Extension Partnership

Optical Insights Scopes Out The Market

Client Profile:

Optical Insights designs and manufactures multi-spectral and polarization imaging systems for biomedical, medical, and agricultural applications. The company, located in Santa Fe, New Mexico, currently has six employees.

Situation:

At the beginning of 2001, Optical Insights had fully developed its product and was ready to begin driving it into the market. Unfortunately, the company did not know the size of its market and had no infrastructure in place to produce according to anticipated demand. Optical Insights contacted the New Mexico Manufacturing Extension Partnership (New Mexico MEP), a NIST MEP network affiliate, to help assess the market.

Solution:

New Mexico MEP helped Optical Insights conduct a series of market assessments to quantify the size of the market and build strategies for penetrating the market. By analyzing the aggregate market data, New Mexico MEP determined the necessary infrastructure and capacity requirements for Optical Insights to begin manufacturing its product proportionate to market demand. The market assessments helped Optical Insights choose the correct size production batches, the correct number of manufacturing cells and total square footage necessary for efficient production, and the correct number of people required for assembly and testing.

New Mexico MEP provided lean enterprise training to the employees of Optical Insights to teach them how to establish and maintain the most efficient manufacturing practices and make intelligent choices for the future. After completing their lean training, employees established a one-way workflow for product assembly, testing, and shipping. They also chose to implement a visual inventory tracking system using kanban cards, which kept production cycle times low to meet growing demand.

Since the original engagement, Optical Insights has experienced enough growth that it has been able to bring manufacturing operations in-house, a decision that led to even greater reductions in cycle times and manufacturing costs.

Results:

Created 3 jobs and retained 1.5 jobs.

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Increased unit sales two and one half times during 2001 and revenues increased by 250 percent.

Moved into a facility three times larger than previous building to accommodate additional capacity.

Improved product quality.

Increased customer satisfaction levels.

Realized a 1000 percent return on investment.

Testimonial:

"The New Mexico Manufacturing Extension Partnership provided important resources to Optical Insights at a critical time in its development. The market assessment allowed for the completion of a solid business plan that was subsequently used to acquire the working capital necessary for its growth."

Yash Sabharwal, Co-Founder and CFO